ACTIC

Q3

Interim report
1 January–30 September 2018

Actic Group AB

"New digital platform"

Interim report 1 January–30 September 2018

Q3 — July to September 2018

- Net sales rose to SEK 219.3 million (209.1), up 5%, of which negative 1% was organic.
- Adjusted EBITDA amounted to SEK 40.9 million (39.0), corresponding to a margin of 18.6% (18.7).
- EBIT amounted to SEK 17.7 million (17.7).
- Net profit for the period was SEK 8.8 million (12.8).
- Earnings per share before and after dilution amounted to SEK 0.55 (0.80).
- Anders Carlbark will take up his position as CEO in December 2018.
- The operations in Finland were divested on 1 July 2018.
- In November Actic signed an agreement to acquire the operations of Asker Treningssenter AS in Norway.

First nine months — January to September 2018

- Net sales rose to SEK 703.0 million (652.0), up 8%, of which 0% was organic.
- Adjusted EBITDA amounted to SEK 118.0 million (110.3), corresponding to a margin of 16.8% (16.9).
- EBIT amounted to SEK 47.1 million (21.5).
- Net profit for the period was SEK 22.6 million (loss: 7.0).
- Earnings per share before and after dilution amounted to SEK 1.42 (neg: 1.86).

Key financial data

Figures in SEK million	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Rolling 12 months	Jan–Dec 2017
Net sales	219.3	209.1	703.0	652.0	932.2	881.2
Adjusted EBITDA	40.9	39.0	118.0	110.3	151.9	144.2
Adjusted EBITA	24.6	23.6	71.5	65.5	90.7	84.8
Adjusted EBITA margin, %	11.2	11.3	10.2	10.1	9.7	9.6
EBIT	17.7	17.7	47.1	21.5	58.3	32.7
Net profit/loss for the period	8.8	12.8	22.6	-7.0	24.2	-5.4
Earnings per share before and after dilution, SEK	0.55	0.80	1.42	-1.86	1.53	-1.53
Cash flow from operating activities	36.7	27.7	99.2	51.2	151.2	103.2
Cash flow for the period	18.3	7.8	16.9	30.1	3.9	17.0
Average number of shares before and after dilution, thousands	15,897	15,897	15,897	10,845	15,897	12,122
Equity/assets ratio, %	45.5	45.2	45.5	45.2	45.5	43.7
Total ARPM, SEK	334	324	344	336	346	339

For definitions of key financial data, see page 16.

Clubs and members

	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Rolling 12 months	Jan–Dec 2017
Number of clubs at the end of the period	178	169	178	169	178	178
Number of members at the end of the period	220,228	216,101	220,228	216,101	220,228	225,133
Average number of members during the period	218,709	214,958	227,100	215,609	224,826	216,666
Average number of full-time equivalent employees	751	725	795	742	798	752

	Openings last 12 months	Openings last 24 months	Mature clubs	Total clubs
Nordics	2	4	147	153
Germany	4	4	17	25

On average, a mature club in the Nordic segment generates annual revenues of SEK 6.0 million and an EBITDA of SEK 1.3 million after the allocation of shared costs. For German operations, the corresponding figures are SEK 3.4 million and SEK 0.2 million respectively.

New digital platform

Net sales for the third quarter of 2018 increased 5% year-on-year. The hot weather during the spring and summer generated a lower inflow of new members which affected Q3 revenue. On 1 July, the three Finnish facilities were divested, which reduced our revenue and negatively impacted total growth.

This was offset by a positive trend for the operations in Germany together with continued strong demand for personal training in the Nordics. Adjusted EBITDA amounted to SEK 40.9 million and the margin was 18.6%.

After adjustment for the divested facilities our membership base remained stable, and compared with the year-earlier quarter, underlying member numbers rose by around 8,000, mainly driven by acquisitions.

Positive trend in Germany

Driven by our new establishments, net sales for our German segment rose more than 30% in the third quarter and the membership base increased by over 20%.

The EBITDA margin for the segment climbed 8 percentage points to 9.5% due to a higher level of maturity for our clubs and operational efficiency enhancements.

Continued robust PT trend

Personal training is an important and expanding share of revenue in the Nordic segment. During the quarter, growth amounted to 23%. It is particularly pleasing that PT operations in Norway posted a strong quarter and are now trending in the right direction. We are working together with the trade organization for our sector because we are convinced that the stamp of quality offered by a PT authorisation will create opportunities for price adjustments and increased sales.

Acquisition in Norway

In November, we signed an agreement to acquire the operations in Norwegian Asker Treningssenter, which operates three very attractive facilities in the Oslo region with about 5.000 members, which provides us a stronger platform in the Norwegian market. We will move our regional headquarter to Asker, which will be an important main facility with a strong PT business. Asker Treningssenter has a broad and well-developed offer that we can develop further in Norway, and continue to build on within the Group. The operation has a turnover of almost SEK 40 million annually with good profitability. The result of operations is expected to be included from December 1.

New digital platform and app

In November, Actic is implementing the next step in its digital journey by launching a larger pilot for a completely new digital platform. The aim is to enhance the customer experience and support our internal processes. The member will through the new Actic app be able to make direct purchases of memberships and PT and communicate with their club or personal trainer. The app is also integrated with Google Fit, Apple Health, Garmin and Fitbit to enable all training statistics to be compiled in one place.

Continuously refining the customer offering

Our employees can publish their availability for such services as personal training via mobile phones, tablets or computers. There, they can also perform needs analyses, prepare tailored training programs, communicate personally with members and manage sales and follow-up. The purpose is to create more time for member contacts and streamline our sales. We also receive an even better understanding of our members and their needs. Accordingly, the customer offering can be continuously developed at the same time as we streamline our internal processes.

Solna i November 2018

Christer Zaar

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Operations

Third quarter
Net sales in the quarter amounted to SEK 219.3 million (209.1), a growth of 5%. Lower sales of new memberships due to the hot weather in the spring and summer impacted revenue for the quarter. Acquisitions contributed SEK 12.4 million. Measured at fixed exchange rates, organic growth totalled negative 1%. Currency effects affected net sales positively by SEK 3.5 million and divested operations had a negative effect of SEK 3.5 million. Adjusted EBITDA amounted to SEK 40.9 million (39.0), corresponding to an adjusted EBITDA margin of 18.6% (18.7). Items affecting comparability amounted to SEK 0 million (1.2). EBIT amounted to SEK 17.7 million (17.7). Earnings were positively impacted by the acquisitions made and greater maturity in the German clubs. Moreover, operations in Norway posted a relatively positive trend for the quarter, not least in terms of PT operations.

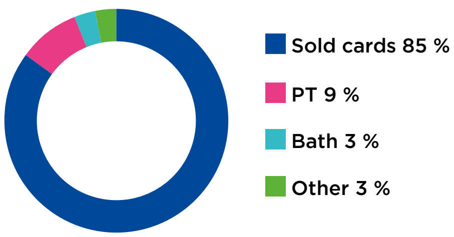
Nine months
Net sales in the period amounted to SEK 703.0 million (652.0), representing growth of 8%. Acquisitions contributed with SEK 49.9 million. The extremely hot and sunny weather in the Nordic countries resulted in a decline in gym card sales and visitors to the facilities, which also had an adverse impact on third quarter sales. Measured at fixed-exchange rates, organic growth totalled 0%. IFRS 15 has a negative impact of SEK 7.5 million on revenue recognition, so see note 2. Adjusted for this, organic growth would have been 1%. Currency effects had a positive effect of SEK 6.4 million on net sales. Growth was primarily attributable to acquired operations in the Nordic countries and by new establishments in Germany. The membership base increased to 220,228 (216,101) at the end of the third quarter, during which the Finnish facilities were divested thereby reducing the base by 4,000 members in the quarter. Adjusted EBITDA amounted to SEK 118.0 million (110.3), corresponding to an adjusted EBITDA margin of 16.8% (16.9), which adjusted for the effect of IFRS 15 would have been 17.7%. Items affecting comparability amounted to SEK 0 million (expense: 24.9). EBIT amounted to SEK 47.1 million (21.5).

Financial income and expenses
Financial expenses amounted to SEK 16.1 million (expense: 36.8) and financial income totalled SEK 4.5 million (5.9). The financial expenses were attributable to interest expenses for loan financing, while financial income mainly pertained to currency-related exchange-rate differences.

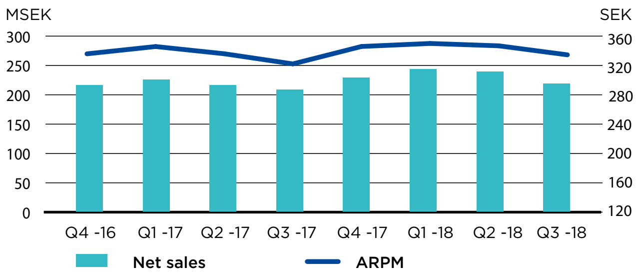
Tax — first nine months
The earnings impact of tax for the period amounted to a negative SEK 12.9 million (pos: 2.4). The effective tax rate is 36.3% (25.8), which was impacted by uncapitalised loss carryforwards in Germany, as well as conversion of deferred taxes in Sweden due to the new tax rate.

Consolidated profit/loss — first nine months
Consolidated net profit amounted to SEK 22.6 million (loss: 7.0), corresponding to earnings per share before and after dilution of SEK 1.42 (loss: 1.86).

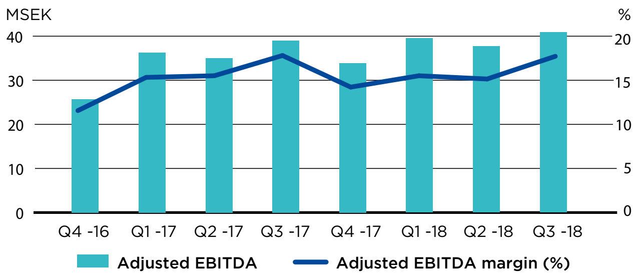
NET SALES PER CATEGORY, Q3



NET SALES & ARPM



ADJUSTED EBITDA & EBITDA MARGIN



Sales and earnings per operating segment

Actic conducts operations in two operating segments. Actic's largest operating segment is the Nordics, which comprises its operations in Sweden and Norway. The operation has gradually expanded since 1981. The Nordics are home to just over 750 swimming halls and Actic conducts operations in approximately 100 of these. Actic's second operating segment comprises Germany and Austria, where the company primarily operates Gym & Swim clubs.

REVENUES PER OPERATING SEGMENT, SEK MILLION

	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Full-year 2017
Nordics	198.8	193.5	644.9	605.2	818.4
Of which, Gym card	*168.1*	*168.1*	*527.8*	*502.7*	*673.4*
Germany	20.5	15.7	58.1	46.8	62.8
Of which, Gym card	*19.5*	*14.2*	*54.5*	*43.3*	*58.5*
Total net sales	**219.3**	**209.2**	**703.0**	**652.0**	**881.2**
Of which, Gym card	*187.6*	*182.3*	*582.3*	*546.0*	*731.9*

ADJUSTED EBITDA PER SEGMENT AND RECONCILIATION WITH THE GROUP'S EARNINGS BEFORE TAX, SEK MILLION

	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Full-year 2017
Nordics	45.4	46.2	136.8	134.1	173.9
Germany	2.0	0.2	3.6	0.9	3.3
Shared Group expenses, excl. items affecting comparability	-6.5	-7.4	-22.4	-24.7	-33.0
Adjusted EBITDA total	**40.9**	**39.0**	**118.0**	**110.3**	**144.2**
Items affecting comparability	–	1.2	–	-24.9	-25.6
Depreciation	-23.2	-22.4	-70.9	-63.9	-86.0
EBIT	**17.7**	**17.7**	**47.1**	**21.5**	**32.7**
Financial net	-2.1	-4.5	-11.6	-31.0	-34.1
EBT	**15.5**	**13.2**	**35.5**	**-9.5**	**-1.4**

Nordics operating segment

Net sales in the third quarter amounted to SEK 198.8 million (193.5), corresponding to growth of 3%. After adjustment for the divestment of the facilities in Finland, growth was 5%. EBITDA amounted to SEK 45.4 million (46.2) corresponding to a margin of 22.9% (23.9) as a result of investment in existing facilities and higher energy costs due to the hot weather.

Earnings were positively impacted by the acquisitions made and the previously completed establishments beginning to show profitability. Moreover, operations in Norway posted a relatively positive trend for the quarter, not least in terms of PT operations.

Net sales for the Nordics segment during the period amounted to SEK 644.9 million (605.2), corresponding to growth of 7%. EBITDA amounted to SEK 136.8 million (134.1) corresponding to a margin of 21.2% (22.2). Average revenue per member and month (ARPM) was SEK 348 during the period, compared with SEK 341 for the year-earlier period. For the full-year 2017, it was SEK 344.

In July, Actic divested its Finnish subsidiary that operated three facilities, which had generated net sales of SEK 7.5 million and EBITDA of SEK 0.5 million up to the date of divestment. The transaction generated a capital gain of SEK 1.6 million and had a marginal positive impact on Actic's earnings per share for the current year. Furthermore, the facilities in Högdalen and Lögarängen were wound up, in parallel with opening a second facility in Alta in Norway. At the end of the period, there were 153 clubs, two less than in the preceding report.

German operating segment

Net sales in the third quarter amounted to SEK 20.5 million (15.7), corresponding to growth of 31%. EBITDA amounted to SEK 2.0 million (0.2) corresponding to a margin of 9.5% (1.5).

Earnings were positively impacted by establishments completed beginning to show profitability and efficiency enhancements in the operation.

Net sales for the Germany segment amounted to SEK 58.1 million (46.8) during the period, corresponding to growth of 24%. EBITDA amounted to SEK 3.6 million (0.9) corresponding to a margin of 6.2% (2.0). New establishments that are not mature and due diligence costs recognised directly in earnings had an adverse impact. Average revenue per member and month (ARPM) was SEK 303 during the period, compared with SEK 284 for the year-earlier period. For the full-year 2017, it was SEK 283. At the close of the period, there were 25 clubs, with no change since the preceding report.

SEASONAL VARIATIONS

Actic's operations are subject to seasonal variations related to the level of activity at the clubs, which is highest in the first quarter of the year. After activity levels decline at the end of the second quarter, member flows and activities at the clubs increase again after the summer months at the end of the third quarter. The introduction of IFRS 15 is expected to have an equalising factor on revenue over the financial year, see note 2.

Financial position

PERSONNEL
The number of full-time equivalent employees during the period totalled 795, compared with 752 for full-year 2017. This increase in the number of employees was mainly attributable to acquisitions and new establishments.

PARENT COMPANY
The net loss for the period was SEK 5.7 million (loss: 14.3). Equity at the end of the period totalled SEK 820.1 million, compared with SEK 833.8 million at year end.

CASH FLOW, CASH AND CASH EQUIVALENTS
Cash flow from operating activities totalled SEK 99.2 million (51.2) for the period. Cash funds amounted to SEK 83.5 million (79.1) at the end of the period. Available unutilised loans amounted to SEK 93 million at the end of the period, compared with SEK 73 million at year-end 2017.

EQUITY AND LIABILITIES
The equity/assets ratio was 45.5% at the end of the period, compared with 43.7% at 31 December 2017. Interest-bearing liabilities amounted to SEK 486.5 million compared with SEK 506.5 million at year-end 2017. Net debt of SEK 403.0 million in relation to adjusted EBITDA for the most recent 12-month period gave a ratio of 2.7, compared with 3.1 for full-year 2017.

INVESTMENTS
During the period, the company invested SEK 44.5 million in tangible fixed assets, with most of the amount earmarked for newly opened clubs and the upgrade of existing clubs. SEK 9.0 million was in-

Actic foresees continued strong demand for personal training in the Nordics. Operations grew 23% during the third quarter.

vested in intangible fixed assets, mainly accounting systems, the new digital platform and the company's new members app.

EVENTS DURING THE PERIOD

Actic has recruited Anders Carlbark as CEO. Anders joins Actic after a decade at H&M where he spent the last two years as Global Head of Merchandising. Previously, he was Area Manager at Lidl. Anders will take up his new position in December 2018.

Actic divested all of its three facilities in Finland. The facilities in question had sales of about SEK 15 million in 2017, and the purchaser acquired the existing personnel and contracts as of 1 July. The transaction is expected to have a marginal positive impact on Actic's earnings per share for the current year.

EVENTS AFTER THE END OF THE PERIOD

After the end of the period, Actic has signed an agreement to acquire Asker Treningssenter AS, which operates three fitness centers in Asker, Norway, with about 5,000 members. The operation has a turnover of almost SEK 40 million annually and is expected to contribute positively to the Group's EBITDA margin. Consolidation will take place on December 1. The acquisition will have a marginal positive effect on the Group's earnings this year.

MATERIAL RISKS AND UNCERTAINTIES

Actic is exposed to a number of business and financial risks. The company's business risks can be divided into three categories: strategic, operational and legal risks. Among other factors, the company's financial risks are attributable to exchange rates, interest rates, liquidity and credit granting. Risk management within the Actic Group aims to identify, control and reduce these risks. This is accomplished through an assessment of risk probability and the potential impact on the Group. The company's risk assessment is unchanged compared with the risk scenario presented on pages 81–83 of the 2017 Annual Report. The Parent Company's risks and uncertainties are indirectly the same as those of the Group.

IFRS 16

IFRS 16 Leases applies for financial years beginning 1 January 2019 or later. The project being conducted in relation to the introduction of this IFRS has proceeded according to plan. The results of the introduction will be presented together with the year-end report.

OUTLOOK

Actic does not publish forecasts.

Solna, 14 November 2018

Christer Zaar
President and CEO

The information in this interim report is of the type that Actic Group AB (publ) is required to disclose according to the Securities Market Act.
The information was submitted for publication on Wednesday, 14 November at 7:45 a.m. (CET).

Review report

Actic Group AB (publ) Corp. ID. 556895-3409

Introduction
We have reviewed the summary interim financial information (interim report) of ACTIC Group AB (publ) as of 30 September 2018 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Solna, 14 November 2018

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant

Condensed consolidated income statement

SEK 000s	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Full-year 2017
Net sales	219,257	209,130	702,966	651,961	881,206
Other operating income	8,671	6,460	25,171	21,165	29,121
Total revenue	**227,929**	**215,590**	**728,138**	**673,126**	**910,326**
Personnel costs*	-72,824	-73,914	-265,578	-260,356	-354,196
Other operating expenses	-114,253	-101,501	-344,525	-327,385	-437,508
Depreciation of tangible and intangible assets	-23,184	-22,462	-70,887	-63,848	-85,961
EBIT	**17,668**	**17,713**	**47,148**	**21,537**	**32,661**
Financial net	-2,141	-4,512	-11,606	-30,993	-34,088
Profit/loss before tax	**15,527**	**13,201**	**35,542**	**-9,456**	**-1,427**
Tax	-6,721	-428	-12,907	2,446	-3,976
Net profit/loss for the period	**8,806**	**12,773**	**22,635**	**-7,010**	**-5,403**
of which, attributable to Parent Company shareholders	8,806	12,773	22,635	-7,010	-5,403
Profit/loss per share					
before dilution (SEK)	0.55	0.80	1.42	-1.86	-1.53
after dilution (SEK)	0.55	0.80	1.42	-1.86	-1.53

* In the comparison period Jul–Sep 2017 and Jan–Sep 2017 have SEK 1,559 thousand and SEK 4,469 thousand been reclassified from personnel costs to other operating expenses.

Consolidated statement of comprehensive income

SEK 000s	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Full-year 2017
Net profit/loss for the period	8,806	12,773	22,635	-7,010	-5,403
Other comprehensive income					
Items that have been transferred or may be transferred to net profit for the year					
Translation differences for the year on translation of foreign operations	-3,407	2,307	17,715	-6,297	-9,821
Total other comprehensive income	**-3,407**	**2,307**	**17,715**	**-6,297**	**-9,821**
Comprehensive income for the period	**5,399**	**15,080**	**40,350**	**-13,307**	**-15,224**

Condensed consolidated financial position

SEK 000s	30 Sep 2018	30 Sep 2017	31 Dec 2017
Assets			
Intangible fixed assets	869,260	826,101	870,650
Tangible fixed assets	333,524	319,151	333,766
Deferred tax assets	4,274	14,307	5,163
Total fixed assets	**1,207,058**	**1,159,560**	**1,209,579**
Other current assets	111,311	104,951	111,383
Cash and cash equivalents	83,502	79,092	66,078
Total current assets	**194,813**	**184,043**	**177,461**
Total assets	**1,401,871**	**1,343,603**	**1,387,040**
Equity and liabilities			
Equity attributable to Parent Company shareholders	**638,042**	**607,529**	**605,638**
Non-current interest-bearing liabilities	467,134	462,780	466,252
Deferred tax liabilities	32,939	35,381	27,766
Total non-current liabilities	**500,073**	**498,161**	**494,018**
Current interest-bearing liabilities	19,328	18,399	40,219
Other current liabilities	244,428	219,514	247,166
Total current liabilities	**263,756**	**237,913**	**287,385**
Total liabilities	**763,829**	**736,074**	**781,402**
Total equity and liabilities	**1,401,871**	**1,343,603**	**1,387,040**

Consolidated statement of changes in equity, condensed

	Equity attributable to Parent Company shareholders		
SEK 000s	30 Sep 2018	30 Sep 2017	31 Dec 2017
Equity at the end of the period	605,638	364,515	364,515
Comprehensive income for the period	40,351	-13,306	-15,224
New share issue, net	–	256,320	256,346
Dividend to shareholders	-7,948	–	–
Equity at the end of the period	**638,042**	**607,529**	**605,637**

Condensed consolidated statement of cash flows

SEK 000s	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Full-year 2017
Cash flow from operating activities before changes in working capital	43,918	41,290	110,386	67,372	97,145
Cash flow from changes in working capital	-7,192	-13,611	-11,205	-16,168	6,065
Cash flow from operating activities	**36,726**	**27,679**	**99,181**	**51,204**	**103,210**
Investing activities					
Acquisition of tangible fixed assets	-10,254	-17,866	-44,487	-50,860	-90,550
Investment contributions received	–	1,916	–	5,916	5,916
Acquisition of intangible fixed assets	-3,191	-6,328	-9,012	-18,218	-21,960
Acquisition of subsidiaries/operations, net liquidity effect	–	–	–	-26,521	-73,402
Divestment of subsidiaries, net liquidity effect	-782	–	-782	–	–
Cash flow from investing activities	**-14,227**	**-22,278**	**-54,281**	**-89,683**	**-179,996**
Financing activities					
New share issue	–	–	–	252,499	252,499
Loans raised	2,406	8,309	18,208	457,127	487,800
Repayment of debt	–	–	-20,000	-625,700	-625,700
Repayment of leasing debt	-6,609	-5,950	-18,217	-15,382	-20,764
Dividends paid to Parent Company shareholders	–	–	-7,948	–	–
Cash flow from financing activities	**-4,203**	**2,360**	**-27,957**	**68,544**	**93,835**
Cash flow for the period	18,297	7,761	16,944	30,065	17,050
Cash and cash equivalents at the beginning of the period	65,338	71,359	66,077	49,057	49,057
Exchange-rate difference in cash and cash equivalents	-132	-28	481	-30	-29
Cash and cash equivalents at the end of the period	**83,502**	**79,092**	**83,502**	**79,092**	**66,077**

Parent Company condensed income statement

SEK 000s	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Full-year 2017
Net sales	**691**	**61**	**2,181**	**10,552**	**11,954**
Personnel costs	-1,547	-3,751	-4,229	-17,015	-19,163
Other operating expenses	-1,324	1,632	-4,933	-9,699	-10,625
Amortisation and impairment of intangible fixed assets	-7	-19	-19	-19	-25
EBIT	**-2,187**	**-2,077**	**-7,000**	**-16,181**	**-17,859**
Financial net	-147	-21	-326	-1,655	-1,656
Appropriations	–	–	–	–	43,499
Profit/loss before tax	**-2,333**	**-2,097**	**-7,326**	**-17,836**	**23,984**
Tax	508	105	1,588	3,565	-5,284
Net profit/loss for the period	**-1,825**	**-1,992**	**-5,738**	**-14,270**	**18,700**

Net profit/loss for the period corresponds to comprehensive income for the period for the Parent Company.

Parent Company's condensed balance sheet

SEK 000s	30 Sep 2018	30 Sep 2017	31 Dec 2017
Intangible fixed assets	130	117	110
Financial fixed assets	794,803	794,803	794,803
Deferred tax assets	1,588	8,824	–
Total fixed assets	**796,521**	**803,744**	**794,913**
Total current receivables	25,749	4,688	45,820
Total current assets	**25,749**	**4,688**	**45,820**
Total assets	**822,270**	**808,431**	**840,733**
Restricted equity	753	753	753
Non-restricted equity	819,311	801,718	832,997
Total equity	**820,064**	**802,471**	**833,750**
Total current liabilities	**2,206**	**5,960**	**6,983**
Total equity and liabilities	**822,270**	**808,431**	**840,733**

Quarterly data

Amount in SEK, Group	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2
Net sales	219.3	239.5	244.2	229.2	209.1	216.8
Adjusted EBITDA	40.9	37.7	39.5	33.9	39.0	35.0
Adjusted EBITDA margin	18.6	15.8	16.2	14.8	18.7	16.2
Items affecting comparability	–	–	–	0.6	-1.2	15.8
Adjusted EBITA	24.6	22.7	24.1	19.2	23.6	21.5
Adjusted EBITA margin, %	11.2	9.5	9.9	8.4	11.3	9.9
EBIT	17.7	14.5	14.9	11.1	17.7	-0.4
Net profit/loss for the period	8.8	6.8	7.0	1.6	12.8	-15.1
Cash flow from operating activities	36.7	12.1	50.4	52.0	27.7	-7.5
Total ARPM, SEK	334	350	353	349	324	339

Notes to the financial statements

NOTE 1 REPORTING UNITS

The Parent company Actic Group AB is a Swedish public limited-liability company, with corporate registration number 556895-3409. This consolidated interim report for the period ending 30 September 2018 encompasses the company and its subsidiaries, collectively referred to as the Group.

NOTE 2 ACCOUNTING POLICIES

This condensed consolidated interim report was prepared in accordance with IAS 34 Interim Financial Reporting together with the applicable provisions in the Annual Accounts Act. The Parent Company's accounts have been prepared pursuant to Chapter 9 of the Annual Accounts Act, Quarterly Reports. In addition to the financial statements and the accompanying notes, other sections of the interim report also contain disclosures in accordance with IAS 34.16A.

For both the Group and the Parent Company, the same accounting policies and estimation basis have been applied as in the most recent Annual Report, with the exception of the amended accounting policies described below.

New and amended IFRS standards (IFRS 15 and IFRS 9) and interpretations and amendments to RFR 2 and RFR 1 came into effect for the 2018 financial year.

IFRS 9 has had no impact on the Group's or the Parent Company's financial statements.

IFRS 15 has impacted the Group's net sales to the extent that recognition of the initial membership fee for new members is now allocated of the initial membership period, normally 12 months, instead of being recognised directly when membership is taken. Since no restatement has been performed for previous periods, this entailed a negative impact on net sales for 2018. This effect is expected to amount to around SEK 7.5 million for the 1 January–30 September 2018 period.

NOTE 3 ESTIMATES AND JUDGEMENTS

In the preparation of an interim report, management is required to make judgements and estimates as well as assumptions that impact the application of the accounting policies and the amounts recognised with respect to assets, liabilities, revenue and expenses. The actual outcome may deviate from these estimates and judgements. The company's critical judgements and sources of uncertainty in estimates are the same as those reported in the most recent Annual Report.

NOTE 4 EQUITY

During 2018, a dividend was paid for 2017 of SEK 0.50 per share.

NOTE 5 FINANCIAL INSTRUMENTS

Only low value derivatives contracts were entered into for the period ending 30 September 2018.

NOTE 6 TRANSACTIONS WITH RELATED PARTIES

The nature and scope of the company's transactions with related parties has not changed materially compared with the information disclosed in the 2017 Annual Report.

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES

To increase the understanding of the development of the operations and the financial status of Actic Group, Actic presents some alternative performance measures in addition to the conventional financial ratios established by IFRS. However, these alternative performance measures should not be considered as a substitute for the financial information presented in the financial statements in accordance with IFRS. The reconciliations presented in the tables below are to be read together with the definitions on page 16.

Adjusted EBITA, EBITDA and margins

SEK 000s	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Rolling 12 months	Jan–Dec 2017
EBIT	17,668	17,713	47,148	21,536	58,273	32,661
Reversal of amortisation of intangible fixed assets	6,969	7,081	24,302	19,073	31,774	26,545
EBITA	**24,637**	**24,794**	**71,450**	**40,609**	**90,047**	**59,206**
Items affecting comparability	–	–	–	718	648	1,366
Listing-related expenses	–	-1,160	–	24,200	0	24,200
Adjusted EBITA	**24,637**	**23,634**	**71,450**	**65,526**	**90,695**	**84,772**
Reversal of depreciation of tangible fixed assets	16,215	15,381	46,585	44,775	61,226	59,416
Adjusted EBITDA	**40,852**	**39,015**	**118,035**	**110,302**	**151,921**	**144,188**
Net sales	219,257	209,130	702,966	651,961	932,211	881,206
Adjusted EBITA margin, %	**11.2**	**11.3**	**10.2**	**10.1**	**9.7**	**9.6**
Adjusted EBITDA margin, %	**18.6**	**18.7**	**16.8**	**16.9**	**16.3**	**16.4**

Net debt and net debt/adjusted EBITDA ratio

SEK 000s	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Rolling 12 months	Jan–Dec 2017
Non-current interest-bearing liabilities	467,134	462,780	467,134	462,780	467,134	466,252
Current interest-bearing liabilities	19,328	18,399	19,328	18,399	19,328	40,219
Total interest-bearing liabilities	**486,462**	**481,179**	**486,462**	**481,179**	**486,462**	**506,470**
- Cash and cash equivalents	-83,502	-79,092	-83,502	-79,092	-83,502	-66,078
Net debt	**402,960**	**402,087**	**402,960**	**402,087**	**402,960**	**440,393**
Adjusted EBITDA	40,852	39,015	118,035	110,302	151,921	144,188
Net debt/adjusted EBITDA ratio	**–**	**–**	**–**	**–**	**2.7**	**3.1**

Organic growth

SEK 000s	Jul–Sep 2018	Growth %	Jan–Sep 2018	Growth %
Net sales	219,257	4.8%	702,966	7.8%
Acquired businesses	12,434	5.9%	49,852	7.6%
Divested operations	-3,548	-1.7%	-3,548	-0.5%
Currency effect	3,538	1.7%	6,432	1.0%
Exchange-rate adjusted, organic growth	-2,297	-1.1%	-1,731	-0.3%
Total growth	**10,127**	**4.8%**	**51,005**	**7.8%**

Financial calendar

Year-end report 2018, 14 February 2019

Financial objectives

Actic has adopted the following financial targets:
Growth — Average yearly organic growth of at least 5%, with additional growth from acquisitions.
Profitability — Adjusted EBITDA margin of more than 20% in the medium term.
Capital structure — Net debt/adjusted EBITDA ratio below 3.0.
Dividend policy
A dividend rate of 30% to 50% of annual net income.

Overall strategy

Actic's overall strategy can be summarised as follows:

- Refine existing clubs and strengthen the product and service offering.
- Continued expansion of the offering through new establishments.
- Participate in the consolidation of the industry through acquisitions.

Acquired clubs are to contribute positively to the Group's earnings from day one, while new establishments are expected to achieve break-even after 12 months and full profitability after 24 months.

Financial definitions

EBITDA, EBITA, EBIT, adjusted EBITDA, adjusted EBITA and ARPM do not comprise performance metrics calculated pursuant to IFRS. Accordingly, they should not be considered as alternatives to net income or EBIT as indicators of performance, or as alternatives to operating cash flow as metrics of liquidity. EBITDA, EBITA, EBIT, adjusted EBITDA, adjusted EBITA and ARPM are used by the management for making operational decisions. Moreover, EBITDA, EBITA, EBIT, adjusted EBITDA, adjusted EBITA and ARPM do not comprise metrics intended for the use of investors. EBITDA, EBITA, EBIT, adjusted EBITDA, adjusted EBITA and ARPM which are presented in this report may not be comparable with similarly named metrics reported by other companies due to differences in calculation methods.

PERFORMANCE METRICS NOT DEFINED PURSUANT TO IFRS

	Description	Reason for using the metric
EBIT	Operating profit.	EBIT provides an overview of the profitability generated through operations.
EBITA	EBITA Operating profit before impairment and amortisation of intangible fixed assets.	EBITA provides an overview of the profitability generated through operations.
EBITDA	Operating profit before impairment, depreciation and amortisation of tangible and intangible fixed assets.	EBITDA together with EBITA provides an overview of the profitability generated through operations.
Items affecting comparability	Costs attributable to items including acquisitions and divestments, and the stock exchange listing, which were included in the statement of profit/loss and that affect comparability with earlier periods.	The metric provides a clear view of any costs that are not attributable to operations and which can thus be excluded when comparing different periods.
Adjusted EBITA	EBITA excluding items affecting comparability.	Adjusted EBITA is adjusted for items that impact comparability and, accordingly, comprises a useful metric for measuring the company's profitability generated by operations.
Adjusted EBITDA	EBITDA after reversal of items affecting comparability.	Adjusted EBITDA is adjusted for items that impact comparability and, accordingly, comprises a useful metric for measuring the company's profitability generated by operations.
EBIT margin	Adjusted EBITA divided by net sales.	The EBIT margin is a useful metric for measuring the company's value creation through operations.
Adjusted EBITA margin	Adjusted EBITA divided by net sales.	The adjusted EBITA margin is adjusted for items that impact comparability and, accordingly, comprises a useful metric for measuring the company's value creation through operations.

	Description	Reason for using the metric
Adjusted EBITDA margin	Adjusted EBITDA divided by net sales.	The adjusted EBITDA margin is adjusted for items that impact comparability and, accordingly, comprises a useful metric for measuring the company's value creation through operations.
Shared Group expenses	Operating expenses not attributable to individual facilities. These expenses pertain to support functions in the form of site management, marketing, customer support, HR, finance, IT, Actic Academy, product development, establishments, service and Group management.	Central and local functions provide an overview of the total of non-facility-related expenses.
EBITDA margin per segment	EBITDA divided by net sales broken down by segment.	Provides an overview of the value creation generated through operations for the company's different segments.
Organic growth	Change in net sales adjusted for currency effects, acquisitions and disposals compared with the year-earlier period.	The metric is used to follow underlying sales growth driven by volume, product offering and price changes for similar products between different periods.
Net debt	Interest-bearing debt less cash and cash equivalents.	Provides an indication of the company's level of debt and financial risk.
Net debt/Adjusted EBITDA	Net debt at the end of the period divided by adjusted EBITDA based on the rolling twelve-month value.	Provides an indication of the company's level of debt and financial risk.
Average revenue per member (ARPM)	Net sales during the period divided by the average number of members during the period. The average number of members is based on the number of members at the end of each month during the period. The average revenue per member pertains to the average revenue on a monthly basis.	Provides an indication of the company's level of sales relative to the customer base.
Number of clubs	Number of clubs at the end of the period	Provides an indication of the company's size in the market.
Number of members	Number of members at the end of the period.	Provides an indication of the company's size in the market.
Average number of full-time equivalent employees	The average number of employees is calculated as the total of the average number of full-time positions during the period on a monthly basis and the accumulated hours worked for the period for hourly contract employees converted to full-time positions	Provides an indication of the total number of FTEs employed to run the company.
Working capital	Inventories, accounts receivable, prepaid expenses and accrued income and other receivables less accounts payable, tax liabilities, other liabilities, and accrued expenses and deferred income.	Provides an indication of the amount of working capital tied up in operations.
Equity/assets ratio	Equity as a percentage of total assets.	Provides an indication of the proportion of assets financed through equity. Equity in relation to other liabilities describes long-term payment capacity.

Glossary

Full-service clubs Clubs where both the fitness club and the swimming facility are operated by Actic's own personnel.

Gym & Swim clubs Clubs where the fitness club is operated by Actic and the swimming facility is operated by an external partner.

HIT High-intensity training is a strength training method. The method is focused on short, high-intensity exercise. HIT prioritises high intensity and few repetitions with the aim of developing muscles as efficiently as possible.

In-house clubs Clubs where the fitness facility is operated by external personnel.

Cluster Geographic area with several Actic clubs located in close proximity to one another, forming a cluster.

PT Personal training.

Stand-alone clubs Clubs that exclusively operate fitness facilities

Actic in brief

Actic was founded in 1981 and began its international expansion in 1995. Actic is now one of the leading players in the staffed gym market in the Nordics. Actic has 178 clubs with just over 220,000 members in four countries. Its main markets are Sweden, Norway, Germany and Austria.

Actic has a unique business model whereby the majority of its clubs have access to swimming facilities, which is included in the membership fee paid by Actic's members.

Actic uses a well-established exercise method known as high-intensity training (HIT) and offers its members personal training programmes including follow-up sessions with trained instructors. Together with swimming, this differentiates Actic in the market.

The training offering is broad, with strength training, with group classes and functional training, and personal training (PT), which attracts a broad target group and is building successful clusters in the Nordics and Germany.

Actic's vision is to contribute to a healthier society by attracting broader target groups and thereby expanding the market. Actic's employees play an active role in the local community as a way of contributing to a healthier society.

Actic, which has its head office in Solna in Stockholm, had approximately 800 full-time equivalent employees and net sales of SEK 881 million in 2017. The Group is led by CEO Christer Zaar.

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